

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF CUMBERLAND VALLEY)
RURAL ELECTRIC COOPERATIVE CORPORATION))
FOR AN ORDER AUTHORIZING A PASS-) CASE NO. 8696
THROUGH OF EAST KENTUCKY POWER WHOLE-)
SALE POWER RATE INCREASE IN)
CASE NO. 8648)

O R D E R

Cumberland Valley Rural Electric Cooperative Corporation ("Applicant") filed its application to flow through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8648. Applicant is one of 18 member distribution cooperatives of East Kentucky. In Case No. 8648, East Kentucky requested an increase in revenue of approximately \$31,176,207. Of this total increase, Applicant would experience an increase in power costs of approximately \$2,141,539, which represents 6.87 percent of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of approximately 16.5 percent.

On November 12, 1982, the 18 distribution cooperatives of East Kentucky filed a motion requesting that they be permitted to deviate from the Commission's rules regarding tariffs and to flow through the increase by use of a proposed procedure for pass-through of the wholesale rate increase ("proposed

procedure"). In its Order of November 19, 1982, the Commission authorized Applicant to deviate from the rules on tariffs and approved the utilization of the proposed procedure.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

(1) The actual increase allowed East Kentucky in Case No. 8648 is \$18,849,182 which will result in an increase in power costs to Applicant of \$1,294,732.

(2) Applicant's financial condition would be materially impaired if it were not allowed to recover the increased wholesale power costs allowed in Case No. 8648.

(3) The revised rates and charges in Appendix A are designed to reflect only the increased power costs from East Kentucky allowed in the final Order in Case No. 8648.

(4) The flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

IT IS THEREFORE ORDERED that Cumberland Valley Rural Electric Cooperative Corporation be and it hereby is authorized to flow through the increased power costs resulting from the rate increase granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., in Case No. 8648.

IT IS FURTHER ORDERED that the rates in Appendix A shall be placed into effect on the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Cumberland Valley Rural Electric Cooperative Corporation shall, within 20 days from the date of this Order, file its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 1st day of April, 1983.

PUBLIC SERVICE COMMISSION

Sam Shuck
Chairman

Katherine Randall
Vice Chairman

Sam Carrigan
Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8696 DATED APRIL 1, 1983

The following rates and charges are prescribed for the customers in the area served by Cumberland Valley Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE I FARM, HOME, SCHOOLS AND CHURCHES*

Rates:

Customer Charge	\$5.00	Per Month Per Customer
First 500 KWH	.06554	Per KWH
Over 500 KWH	.05555	Per KWH

SCHEDULE II SMALL COMMERCIAL AND SMALL POWER*

Rates:

Demand Charge: Per KW of Billing Demand \$3.68

Energy Charge:

Customer charge	\$5.00	Per Month Per Customer
First 3,000 KWH	.08065	Per KWH
Over 3,000 KWH	.06187	Per KWH

SCHEDULE III ALL ELECTRIC SCHOOL (A.E.S.)*

Rates:

All KWH	\$.06025	Per KWH
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SCHEDULE IV
LARGE POWER RATE - INDUSTRIAL*

Rates:

Demand Charge: Per KW of Billing Demand \$ 5.71

Energy Charge:

All KWH \$.03537 Per KWH

SCHEDULE IV-A
LARGE POWER RATE - 50 KW TO 2,500 KW*

Rates:

Demand Charge: Per KW of Billing Demand \$ 3.68

Energy Charge:

All KWH \$.04425 Per KWH

SCHEDULE VI
OUTDOOR LIGHTING - SECURITY LIGHTS*

Rates:

Mercury Vapor Lamps

1)	175 Watt	\$ 6.04 Per Lamp Per Month
2)	400 Watt	8.50 Per Lamp Per Month

*Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056E.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."